GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1993
ANSWERED ON:09.03.2001
INCOME TAX RAIDS ON USHA GROUP OF COMPANIES
BABUBHAI KHIMABHAI KATARA;CHANDRESH PATEL KORDIA;GADDE RAMAMOHAN;M.V.V.S MURTHI;RAMESH CHAND TOMAR;SHIVAJI MANE;SHYAMA SINGH

Will the Minister of FINANCE be pleased to state:

(a) whether the income tax authorities and other agencies recently carried out raids at various premises of the Usha India Group in the coming on 14th February, 2001.

(b) the locations where raids were carried out the details thereof and the reasons therefor:

(c) the names, number and of States of those arrested in this regard;

(d) the action taken against them;

(e) the details of the items recovered during the raids; and

(f) the number of income tax officers and employees who carried out raids on various places?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN).

(a): Yes, Sir, searches were conducted in the case of Usha India Group on 14.2.2001.

(b): The details of the searches conducted at various places are as under:

Delhi	39
Uttar Pradesh	11
Haryana	12
Mumbai	03
Kolkata	02
Total	67

Searches were carried out on the basis of information regarding alleged large scale evasion of tax by the group by way of inflation of expenses, introduction of bogus bills, under statement of purchase price of properties and large scale siphoning of money to the front companies floated by the Group with the help of employees, and acquaintances as benami Directors.

(c): There is no power of arrest under the Income Tax Act, 1961.

(d): In view of reply to part (c), the question does not arise;

(e): As a result of search, apart from books of accounts, the following seizures were effected:

Cash	Rs. 73,67,865/-
Share Certificate & FDRs	Rs. 1,66,21,67,448/-
Total Seizure	Rs. 1,66,95,35,313/-

(f): The total number of Income Tax officers and employees involved in the search was around 434.